

# Washington MIRROR ROUND

By Drew Pearson

(The author of this column is given the widest latitude. His views do not necessarily reflect those of the Mirror.)

MAY 19 1953

WASHINGTON, May 18.

—Secretary of the Treasury Humphrey won't know it when he presents his ideas to the House Ways and Means Committee today, but the tax cards are stacked against him.

Chairman Dan Reed's feathers are ruffled over the whole tax situation and he isn't going to cooperate.

So no matter what Humphrey proposes in the way of new taxes, he isn't going to get much from his fellow Republicans. In fact, he'll probably get more cooperation from the Democrats.

What Humphrey has been working on in the way of a tax program is this.

A.—Continuation of the excess-profits tax.

B.—No cutting of income taxes this year.

C.—As a sop to business, Humphrey is considering more generous depreciation rates, thereby permitting a quicker write-off of capital investments.

But regarding the future, Humphrey believes Congress cannot cut taxes substantially without jeopardizing national defense.

What the Secretary of the Treasury doesn't know, however, is that Republicans on the Ways and Means Committee, will let the excess-profits tax die on the vine June 30—no matter what he recommends.

Furthermore, Uncle Dan Reed got quite nettled the other day when Humphrey made the understandable mistake of conferring with Sen. Gene Millikin of Colorado about taxes before he consulted Reed.

Doesn't he know, fumed Uncle Dan at a closed-door meeting, that tax legislation originates in the Ways and Means Committee, not in the Senate?

Of course, Humphrey is only a plain, hard-working Cleveland businessman. He probably didn't realize the niceties of congressional protocol.

However, the result of all this is that there's almost certain to be no tax legislation passed at this session of Congress. Taxes will be caught in a deadlock. The House, following the advice of Uncle Dan Reed, will do nothing. The Senate, led by Chairman Millikin of the Finance Committee, will accept the advice of Secretary Humphrey. But out of the impasse between the

two, no new tax bill is likely to be written.

This means the excess-profits tax will automatically expire June 30 and personal income taxes automatically will be reduced 10 percent—at the end of the year.

## News Capsules

CHINESE are tired—U. S. intelligence experts are now convinced that the Chinese Communists want to end the Korean war. For example, not a single anti-American sign showed up in the Peiping May Day parade. In contrast, even before Korea, every May Day parade featured American signs. However, the British-American quarrel over the latest truce offer may upset things. Central intelligence has warned that the Chinese won't

come to terms in Korea until we agree among ourselves and present a united front. They'll use the truce talks to keep the allies split.

New Labor Chairman—The White House is quietly lining up Harvard Professor Archibald Cox to be the new chairman of the National Labor Relations Board. Cox is the former wage stabilization boss who broke with President Truman over the coal case. However, this wasn't enough to erase the Democratic curse as far as Senator Taft is concerned. Taft is to block the appointment, and also wants to curb the board's power and turn its judicial functions over to the Federal courts.

Chiang wants a war—Chiang Kai-shek has flatly rejected American appeals to move his Nationalist troops out of Burma... This could be serious. What worries Washington is that the Chinese Communists may invade Burma. Nationalist band.

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